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ADMINISTRATIVE MATTERS: JOINT INSPECTION UNIT

Activities of the Joint Inspection Unit in 1992 and early 1993 of relevance to UNIDO

Note by the Secretariat

Summary

Describes briefly the activities of the Joint Inspection Unit (JIU) during 1992 and early 1993, and deals with matters of relevance to UNIDO such as the revised round table process, an integrated library network, decentralization of organizations within the United Nations system, managing works of art in the United Nations, field representation of United Nations system organizations and management of buildings in the United Nations system.

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Introduction

1. In accordance with Industrial Development Board decision IDB.1/Dec.22, the Director-General notified the Secretary-General of the United Nations of the acceptance by UNIDO of the statute of the Joint Inspection Unit (JIU), effective 1 January 1986. Under the terms of the statute, 1/ the Unit is a subsidiary organ of the legislative bodies of the organizations that accept its statute. Reports of the Unit shall be submitted with the comments of the executive heads of the organizations concerned to the competent organs of those organizations; the executive heads of the organizations shall also ensure that recommendations of the Unit approved by their respective competent organs are implemented as expeditiously as possible. At its forty-seventh session, the General Assembly considered the report of the Joint Inspection Unit on its activities during the period 1 July 1991 to 30 June 1992. 2/ The work programmes of JIU are drawn up in accordance with article 9 of its statute and take into account requests and suggestions made by the participating organizations. The document containing the work programme for 1992 and the preliminary work programme for 1993-1994 3/ has been circulated by the Secretary-General to Member States and participating organizations. It will also be made available to the Board at its eleventh session, as well as the relevant reports completed by the Unit in 1992 and early 1993.

1/ United Nations General Assembly resolution 31/192, annex.

2/ Official records of the General Assembly, forty-seventh session, Supplement No. 34 (A/47/34).

3/ A/47/119.

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I. JOINT INSPECTION UNIT REPORTS COMPLETED

2. Since the issuance of the most recent note to the Board on the subject (IDB.10/22), the following reports of the Unit have been prepared and circulated for consideration and/or action:

Second report on the cost benefit of office accommodation for the Economic Commission for Latin America and the Caribbean at Port-of-Spain (JIU/REP/92/2)

Forward-looking assessment of technical cooperation programme of the International Civil Aviation Organization (JIU/REP/92/3)

* The revised round table process (JIU/REP/92/4)

* Towards an integrated library network of the United Nations system (JIU/REP/92/5)

* Decentralization of organizations within the United Nations system (JIU/REP/92/6)

* Managing works of art in the United Nations (JIU/REP/92/7)

* Field representation of United Nations system organizations: a more unitary approach (JIU/REP/92/8)

* Management of buildings in the United Nations system (JIU/REP/92/9)

The Unit also issued a note entitled "Some proposals for improving the peace-keeping operations of the United Nations" (JIU/NOTE/92/1).

II. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT INTEREST TO UNIDO

The revised round table process (JIU/REP/92/4)

3. The report first analyses the evolution of the round table process. It goes on to review the role of round tables from two angles: (a) as a mechanism for generating additional aid; and (b) as a means of securing assistance in the coordination and formulation of long-term development strategies. The three recommendations contained in the report are aimed at generating additional funds, strengthening aid coordination and management and formulating a development strategy.

4. Over the past 20 years, the complexity of the round table machinery has obliged the least developed countries concerned to call increasingly on the United Nations Development Programme (UNDP) to assist them in operating that machinery, instead of gradually doing without technical assistance. Certain logistical difficulties associated with the round table cycle and the absence of a firm financial commitment on the part of those participating point up the need to adopt a simplified and less cumbersome procedure. The report puts forward proposals for generating additional funds, reducing the number of intermediaries and shortening time-lags. It also proposes ways and means of distributing tasks between the round table exercise and the national technical cooperation assessment and programmes (NaTCAP) with the ultimate aim of enabling beneficiary Governments to undertake unassisted all tasks relating to the coordination and management of aid and technical cooperation. The report also proposes ways and means of consolidating and integrating various macro-economic studies, socio-economic programmes and plans within long-term development strategies, while reducing overlap, duplication, loss of time and wastage of resources.

5. UNIDO subscribes to the three recommendations relating to generating additional funds, strengthening aid coordination and management and formulating a development strategy. It also shares the views of the Inspector on the lack of inter-agency coordination in the round table process and the loss of profile due to the multiplicity of studies. The specific usefulness of the round table process has become obscure when viewed against the activities of NaTCAP, country programming, mid-term reviews, development cooperation reviews and structural adjustment programmes, as well as the projects and programmes carried out by the United Nations or the World Bank to strengthen forecasting, programming, planning and coordination services.

6. The above notwithstanding, the case for closer coordination and effective utilization of similar work being done by the agencies is given as agency inputs have been greatly underutilized in both the round table and NaTCAP processes. For example, UNDP and UNIDO have engaged extensively in strengthening policy-making processes in the industrial field in several least developed countries, and UNIDO has often supported the formulation of long-term industrial development strategies. If one adds to this the programme-level analytical work under the technical support services at the programme level (TSS-1) within the context of the UNDP successor arrangements together with the programme approach of both UNIDO and UNDP, a substantial basis is given for enhancing the analytical work which could support the round table and NaTCAP process. Agencies clearly have the capacity to provide support to such areas as: subsectoral analyses; identification of priorities; formulation and updating of country strategies; and project and programme design.

Towards an integrated library network of the United Nations system (JIU/REP/92/5)

7. The report provides an overview of the current and potential United Nations library and information services. It describes the level of modernization attained, the Vienna International Centre library being the place where the process of automating library functions in the United Nations system actually began. Given the significant expenditures associated with library modernization schemes, ensuring maximum cost-effectiveness becomes imperative. The Inspector put forward six recommendations for adoption by individual organizations and/or by the system as a whole. These ranged from establishing effective linkages and ensuring hardware and software compatibility to determining functional and administrative accountability and enhancing the quality of library staff.

8. UNIDO fully supports the establishment of a common library network based on existing communications infrastructure in the

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* Indicates a report of direct relevance or interest to UNIDO.

United Nations system, such as the International Computing Centre (ICC) and UNDP networks. In recognition of the need for standards as a means of overcoming the obstacles to easier access, UNIDO suggested in its response to the Inspector, as an initial step: (a) CD-ROM databases and (b) electronic document storage on optical disk (imaging systems). Those standards, however, would not solve the problem of securing easy access to volatile, on-line library databases.

9. UNIDO pointed to the need to continue to support library systems that had been designed or introduced two decades ago until they could be converted to international standards. Furthermore, the systems were often being operated in parts of the world where services, hardware and software differed considerably and did not adhere to international standards. Given the current budgetary limitations, it would be more appropriate in the short term to accept diverse technological platforms for libraries in the United Nations system and to entrust the Advisory Committee for the Coordination of Information Systems (as a first step towards fulfilling Economic and Social Council resolution 1991/70) with the task of setting standards for documenting and describing the databases, establishing the navigational rules to gain access and drawing up the procedures to obtain rights to access.

Decentralization of organizations within the United Nations system (JIU/REP/92/6)

10. The report points to the growing universality of the membership of the United Nations and the entirely new set of priority tasks facing the system as a whole. Original constitutions and organizational structures had not been designed in anticipation of this exponential growth in operational activities for development, thus making it more necessary than ever to adapt and respond to a new world context. For a system with a global constituency, one such response lies in physical and functional decentralization to the benefit of the entire membership.

11. The report points to the fact that the organizational responses to the more recent General Assembly resolutions on the subject of decentralization have been varied. Those bodies with essentially funding and operational mandates have achieved a greater degree of decentralization than the technologically oriented specialized agencies, which rightly claim that the scope for decentralization is limited by the very nature of their constitutional functions.

12. Organizations' efforts at reform, though commendable, appear isolated, unsynchronized and uneven, thus underscoring the need for a coordinated and system-wide strategic approach to the delivery of field programmes and activities. The new guidelines on operational activities for development of the United Nations system (General Assembly resolution 44/211), which emphasize government and national execution, full utilization of national capacities, programme approach and harmonization of programming procedures and project cycles, make the adoption of a comprehensive and uniform approach all the more essential, with increased team-leadership capacity of Resident Coordinators and closer cooperation between organizations' country representatives and those Coordinators.

13. The report views decentralization from the standpoint of delegation of authority, deconcentration and management. It also reviews the geographical spread of organizations in relation to their constituents and development coordination role, in addition to outlining a possible strategic reorganization of the development-related structures and resources of the system.

14. UNIDO accepts the principle of decentralization as being incontrovertibly sound. In the case of UNIDO, for example, it should be realized, that although the scope for decentralization may well be less limited by constitutional functions than in other organizations, it is certainly influenced by them. Indeed, it would be counter-productive for UNIDO to post its hide and leather experts to the field when a more limited number can serve the entire developing world from Headquarters.

15. The difference in the degree of decentralization between those agencies that fund and administer technical cooperation and their technical specialized agency counterparts (see para. 11 above) can also be viewed in slightly different terms. Decentralization of administrative authority and the resultant procedural changes is distinct from decentralization of capacities to provide direct services to Member States. Funding agencies do not execute projects, their clients who borrow the funds do. By way of contrast, specialized agencies are staffed and organized to execute projects. Consequently, in order to ensure the efficient utilization of scarce human resources, it is important that core headquarters technical capacity be maintained so as to be available to all regions of the world. What is most usefully decentralized, therefore, is the implementation of services provided to beneficiary countries. UNIDO thus needs to strive for a field presence model that decentralizes the capacity to programme, prioritize and monitor the implementation of the services it provides through all the programme instruments available to it, and as required by the circumstances of individual countries. Eventually, the Organization must view its field presence (in terms of quality and quantity) as the leading edge of its contacts with client countries and its headquarters staff as a core technical capacity servicing the needs identified by its field representatives.

16. In its comments on the report to the Under-Secretary-General for Administration and Management, UNIDO addressed several claims submitted by the Inspector such as the costs of transferring staff in the field. UNIDO recognizes that although the non-staff costs of local support to UNIDO Country Directors (UCD) in the field are appreciable in terms of rent, utilities and operating costs, support staff costs are generally lower than in Vienna. That having been said, decentralization would be a costly exercise for UNIDO unless the Organization can effectively offset the operating, communication and administrative support costs required to support offices in the field along extended lines of communication. At Headquarters many of these costs would continue at current levels and the economies of scale currently enjoyed would be lost.

17. UNIDO also pointed to its endeavours to increase staff mobility and fill field posts, particularly UCD posts, with personnel from

Headquarters, as well as to avoid national over-representation of UCDs in the various regions.

18. UNIDO refuted the Inspector's claim that agency information systems are too sophisticated for the developing countries and that decentralization was an obvious vehicle for the more effective dissemination of the Organization's information resources. It is not decentralization itself, but the improvement of data-dissemination technology and techniques that extends an organization's information activities. Moreover, it is not that the agencies' information wealth is being hoarded in Europe and North America, but centralized data banks with effective networks are more cost effective and efficient. UNIDO enjoys a marked demand for its information services, thanks to its extensive network of 75 national focal points.

19. Furthermore, UNIDO pointed out that it did hold major conferences away from Headquarters. It was also conscious of the need to ensure that their being held elsewhere should not impose an inordinate burden on host countries, often developing countries or least developed countries.

20. In the ultimate analysis, decentralization does not necessarily mean outposting more bodies to the field, but rather ensuring the effective delegation of authority to the field, accompanied by moves to develop unified field strategies, harmonize intervention procedures, coordinate inputs, and provide advisory and analytical support to Governments. A complicating factor, however, is the variance in Member States' policy towards decentralization.

21. While accepting the majority of the Inspector's findings and recommendations, UNIDO did express some reservations about the financial feasibility of establishing regional offices in the light of its earlier investigations. It also expressed reservations about setting mandatory decentralization targets, although the targets for the composition of field offices appeared quite in order.

Managing works of art in the United Nations (JIU/REP/92/7)

22. The report was only of marginal interest to the Organization by virtue of the fact that responsibility for conserving and protecting works of art within the VIC complex falls within the purview of Buildings Management, a common service provided by UNIDO. The Organization welcomed the Inspectors' three recommendations on defining an art policy for the United Nations, reorganizing and strengthening the Arts Committee and drawing up programmes for registering, evaluating, conserving, insuring and protecting the art collection of the United Nations. The Organization opined, however, that the art collection in the VIC complex warranted the appointment - even on a part-time basis - of a curator.

Field representation of United Nations system organizations: a more unitary approach (JIU/REP/92/8)

23. This report, like that on decentralization, underscores the need to take a fresh look at United Nations practices in the light of the recent changes in the global political climate. The practice in this instance is the field representation of the United Nations system organizations. To be seen within the broader context of the current debate on restructuring and rationalizing the system, the report puts forward two recommendations for immediate implementation and two for implementation in the longer term.

24. In the first category, the Secretary-General, the executive heads of United Nations system organizations in the context of the Administrative Committee on Coordination, and the governing bodies concerned are invited to: (a) consider enhancing the existing limited early warning capability; and (b) take steps to modify the procedure for selection and appointment of the Resident Coordinators. The longer-term recommendations relate to: (a) studying proposals for more structured early warning/political functions in the context of a unitary United Nations Office and prepare a report on the feasibility and possible timetable for its implementation; and (b) considering a proposal for establishing a post of United Nations Representative to head a single "United Nations Office" covering all United Nations system needs and activities.

25. By virtue of the memorandum of understanding signed by the Director-General of UNIDO and the Administrator of UNDP in 1989, UNIDO is fully integrated in the UNDP field offices. Through that agreement, the United Nations Development Programme Resident Representative is also the UNIDO representative and the UNIDO Country Director has the function of Deputy to the UNIDO Representative. The subject is also treated in the document before the current session on the financial situation of the UNIDO Country Director programme (IDB.11/7 and Add.1). In view of the wider mandate to be given to the United Nations field offices that will be headed by a United Nations Resident Coordinator appointed by the Secretary-General and the current funding difficulties faced by the UCD programme, a review of the field presence of UNIDO is urgently required. While the document before the current session focuses on the financial constraints upon the UCD programme, it does pinpoint three essential prerequisites for the continued success of the programme (IDB.11/7, para. 24). To that end, UNIDO field presence should:

(a) Enhance its effectiveness as a means to decentralize resources and delegate authority to the field;

(b) Redefine its services and mode of field interaction to meet the needs and scope of system-wide country strategies so as to bring about closer linkage with decision makers, and to respond more expediently to changing requirements and urgent requests; and

(c) Play more of a direct advisory and technical role (as opposed to that of administering technical cooperation) in its operations.

Management of buildings in the United Nations system (JIU/REP/92/9)

26. The report adopted the same action-oriented format as the report on managing works of art: a

brief summary of the extensive background material and a focus on the major problems and their solutions. Based on an assessment of major buildings and building management practices at Geneva, Montreal, Vienna and Washington, D.C., the report's recommendations centre on: (a) sufficiency of building maintenance; (b) building construction and design; (c) the use of contractors (as opposed to in-house staff); and (d) meetings of building managers.

27. The special arrangement in Vienna with buildings management functions being assigned to UNIDO under common service arrangements is viewed positively. This, however, could not obscure the fact that in all United Nations systems organizations executive heads and governing bodies should assure sufficient and regular funding of building maintenance, thus enabling building managers to: (a) carry out preventive maintenance and pre-maintenance schedules; (b) establish and maintain inventory and inspection systems; and (c) benefit from the establishment of buildings funds supported by fixed annual contributions.

28. The resource-consciousness of UNIDO officials who had the foresight to replace worn out malfunctioning original equipment with standardized parts is highlighted (thus pointing up the problems arising from installing non-standard equipment at the outset), as is their use of computerized printouts for maintenance, servicing or replacement tasks. The need for the sophisticated monitoring of building services and conditions (as is the case in Vienna) is appreciated, as are the regular visits by local authorities to monitor toxicity levels of air, water and food.

The Joint Committee to Administer the Common Fund for Major Repairs and Replacements at the VIC, to which the three resident United Nations organizations and the Austrian Government each contribute $25,000 a year, is cited as an approach worthy of emulation by other United Nations system organizations. The fund constitutes a reserve for major contingencies, while each agency is expected to pay an amount not exceeding $125,000 a year to cover the cost of repair and replacements as approved by the Joint Committee. Furthermore, the Austrian Government assumes financial responsibility for outlays in excess of $450,000 each year: in 1992, the host Government contributed a total of $535,871.

29. The section on contracting out as opposed to staff utilization for building maintenance points to the advantages and disadvantages of both approaches and stresses the need to decide regularly on an optimal mix between contracting out and using in-house staff. This and other issues could certainly be discussed at the regular meetings that the Inspectors recommend should be held within the context of the Consultative Committee on Administrative Questions (CCAQ) so that building managers can address concerns in such areas as contracting, insurance, security, technical training and technologies. While recognizing the benefits of such meetings, UNIDO expressed reservations about having CCAQ concern itself with such specific technical matters.

III. ACTION REQUIRED OF THE BOARD

30. The Board may wish to take note of the JIU reports and the comments made by UNIDO thereon.